



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

September 9, 2004

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 West Jefferson Street
Phoenix, AZ 85007

Subject: Flagstaff Unified School District No. 1

Dear Mr. Horne:

In our December 4, 2003, letter to you, we requested that the Arizona State Board of Education take action on Flagstaff Unified School District No. 1 because the District had not complied with the *Uniform System of Financial Records* (USFR).

We subsequently performed a status review of the District's internal controls as of July 14, 2004. Our review covered the deficiencies we had previously communicated to management and deficiencies included in the District's June 30, 2003, audit reports and USFR Compliance Questionnaire, as well as other internal control deficiencies we were aware of at the time of our review. The purpose of our status review was to determine whether the District was in substantial compliance with the USFR as of the date of our review. Our review consisted primarily of inquiries and selective testing of accounting records and control procedures. The review was more limited in scope than would be necessary to express an opinion on the District's internal controls. Accordingly, we do not express an opinion on its internal controls or ensure that all deficiencies were disclosed.

We acknowledge the District's diligence in implementing the recommendations in our November 26, 2003, report and correcting deficiencies cited in the District's June 30, 2003, audit reports and USFR Compliance Questionnaire. As a result, the District has complied with the USFR.

If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or me at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/gr

cc: Governing Board

Dr. Kevin J. Brown, Superintendent of Schools
Flagstaff Unified School District No. 1

The Honorable Cecilia Owen, Coconino County School Superintendent
Ms. Christy Farley, Executive Director
Arizona State Board of Education

Ms. Vicki G. Salazar, Associate Superintendent of Financial Services
Arizona Department of Education